



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

0002

April 13, 2009

Certified Return Receipt  
7003 2260 0002 0247 7952

Key Bank National Association  
Standby Letter of Credit Services  
Mail Code: OH-01-51-0435  
4910 Tiedeman Road  
Cleveland, Ohio 44144-2338

Subject: Non-Renewal of Letter of Credit  
Box Elder County, Utah

Star Stone Quarries, Rosebud Quarry, M0030026,

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 18, 2009, regarding non-renewal of Letter of Credit [redacted] in the amount of \$6400.00. The mine operator, Star Stone Quarries, has been advised that a replacement surety must be provided by May 21, 2009. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$6400.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for the BLM and itself to be used for reclamation of the Rosebud quarry pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable. Thank you. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

Paul Baker  
Minerals Program Manager

PBB:pb

Enclosure Letter dated 3/24/2009 and Sight Draft

Cc: [opie\\_abeysa@blm.gov](mailto:opie_abeysa@blm.gov), [stephen\\_allen@blm.gov](mailto:stephen_allen@blm.gov), [larry\\_garahana@blm.gov](mailto:larry_garahana@blm.gov)

P:\GROUPS\MINERALS\WP\M003-BoxElder\M0030026-Rosebud\final\cancel-04092009.doc



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**EXHIBIT A**  
**SIGHT DRAFT**

**Date:** \_\_\_\_\_

USDS

**At sight, pay to the order of:**

**Utah Division of Oil, Gas and Mining**

the sum of: \_\_\_\_\_ United States Dollars

Drawn under the KeyBank National Association, Cleveland, Ohio Irrevocable Standby Letter of Credit no. \_\_\_\_\_ dated June 22, 2006

**To: KeyBank National Association  
4910 Tiedeman Road  
Cleveland, Ohio, 44144 USA**

**Utah Division of Oil, Gas, and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801**

**(Authorized signature)**

**(Name)**

**Please wire draw proceeds per the following instructions:**

**TO:**

**ABA or ROUTING #:**

**ATTN:**

**REFERENCE:**

**CREDIT ACCOUNT:**

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Mine Permit Number M/003/0026 Mine Name ROSEBUD QUARRY  
Operator STAR STONE QUARRIES Date SENT MARCH 23 2009  
TO \_\_\_\_\_ FROM \_\_\_\_\_

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE  
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW NOI ☐ AMENDMENT  
☐ OTHER \_\_\_\_\_

Description

Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded  
LETTER- NOTICE OF CANCELLATION/TERMINATION OF  
RECLAMATION LOC 2009-0001

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 8 1/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: \_\_\_\_\_

CC: \_\_\_\_\_